

Target Market Statement – Molten Ventures VCT plc

Product

Molten Ventures VCT plc (the “Product”) is a venture capital trust (“VCT”) listed on the main market of the London Stock Exchange (LSE: MVCT). The Product is an unauthorised Alternative Investment Fund (AIF).

The Product makes venture capital (VC) investments into unquoted companies in the technology and healthcare sectors, in a tax efficient manner (subject to VCT qualifying criteria being met).

Target Market

Types of clients:

- The Product is categorised as a readily realisable investment (“RRI”) under rules imposed by the Financial Conduct Authority (FCA) and therefore can be accessed by a wide range of investors pursuant to prospectus marketing rules.
- Typical investors in the Product will be UK higher-rate taxpayers, who are over 18 years of age with an investment range of between £6,000 and £200,000 and who understand the risks associated with a VCT investment (both advised and non-advised).

Clients’ knowledge and experience:

- The Product is intended for individuals who are professionally advised or highly knowledgeable, and who understand and are capable of evaluating the merits and risks of an investment.
- While the Product is listed on the London Stock Exchange investors must understand the majority of the underlying assets are unquoted and the risks involved in investing in early stage, unquoted companies with illiquid shares and the qualifying criteria of VCT investment, including ongoing eligibility criteria.
- Investors must understand the risks involved in investing in a VCT by virtue of limited liquidity in the secondary market for listed shares and must be prepared to hold their shares for a minimum of at least 5 years to remain eligible for VCT reliefs.

Clients’ financial situation with a focus on ability to bear losses:

- Investors must commit a minimum of £6,000 to be able to invest in the Product.
- Investors must be able to bear the total loss of their investment (if it were to be loss making) and should be prepared to hold for a minimum holding period of 5 years otherwise they may lose tax reliefs previously obtained.
- While the Product currently has a buyback facility, investors must acquaint themselves with the limitations and restrictions highlighted in prospectuses which may change over time.

Clients’ risk and tolerance and compatibility of the risk/reward profile of the product with the target market:

- The Product has a category 6 risk rating as calculated in accordance with PRIIPs guidelines, meaning it is only compatible with clients who have a high-risk tolerance.
- The Product offers a high-risk/high-reward investment opportunity to investors which may offer large returns, but also the risk of large losses (including the loss of **all** invested capital), and clawback of any tax reliefs obtained should the Product fail to remain eligible for VCT reliefs.

Clients' objectives and needs:

- Investors must be looking for the possibility of income and capital growth over the long term (in accordance with the target holding periods specified above) for the applicable tax advantages that are offered by qualifying VCT investments.

Clients who should not invest (the 'negative target market'):

- Investors who do not possess the requisite knowledge and experience;
- Investors who have a short or medium term investment horizon (less than 5 years) or need to access invested capital;
- Investors who are looking for capital preservation or full repayment of the amount invested, and are unable to bear the losses of the whole or part of their investment;
- Investors who are risk averse or have a low tolerance to risk; or
- Investors who need the investment to deliver a predictable return profile.

Distribution Channel

The Product has a wider distribution channel by virtue of it being an RRI. Its client base includes advised, and non-advised clients who invest directly or via execution only platforms.

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